

**STAUNTON, WAYNESBORO AND AUGUSTA COUNTY
COMMUNITY DEVELOPMENT CORPORATION
Virginia**

State Member Banks: FIRST VIRGINIA BANK - AUGUSTA
CRESTAR BANK - VIRGINIA
PLANTERS BANK AND TRUST COMPANY

Date of Investment: September 1988

Initial Capitalization: \$200,000

Description: The CDC undertakes housing activities, including purchasing and renovating homes to sell to first-time home buyers, providing subordinated mortgage funds to assist qualified borrowers in meeting down payment requirements, and providing capital or interim loan financing for the purchase or renovation of apartment buildings. For CDC housing activities, the primary beneficiaries are low- and moderate-income persons and families.

The CDC also plans to provide capital to small businesses in conjunction with public programs and funds, and will provide capital and financing to help renovate or construct commercial or mixed-use projects that primarily benefit small businesses. Also, the CDC will provide funds to projects when the small businesses and low- and moderate-income clients do not meet the credit standards of conventional lenders.

The CDC has renovated and sold one house and is currently providing zero-interest loans to the local Habitat for Humanity to finance the purchase of lots that serve as sites for new home construction for low-and moderate-income residents. The CDC has facilitated financing that has resulted in the completion of five homes and has purchased an additional lot that will serve as the site for a future home. Funding has also been provided for the expansion of computer training facilities. Other investors include Jefferson National Bank in Charlottesville, Virginia and the Commercial Federal Savings and Loan of Staunton.

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RICHMOND COMMUNITY DEVELOPMENT CORPORATION
Richmond, Virginia

State Member Banks: CONSOLIDATED BANK AND TRUST
CRESTAR BANK
FIRST VIRGINIA BANK - COLONIAL

Investment Date: November 1988

Investment: \$525,000 equity investment
\$2.1 million in loan agreements

Description: The Richmond Community Development Corporation (RCDC) makes debt and equity investments in housing and commercial rehabilitation and development projects in low- and moderate-income, economically distressed, blighted and economically stagnant areas of the City of Richmond, Virginia. The low- and moderate-income neighborhoods targeted by the RCDC for development are Jackson Ward and Church Hill.

A grant fund was established to assist qualified buyers with down payments and closing costs. The CDC also has joined with the Virginia Housing Development Authority to form a loan pool of \$450,000 that provides permanent financing for qualified borrowers being assisted by the RCDC. Technical assistance is also provided to home owners and businesses that occupy RCDC-developed properties.

In 1991, the RCDC became the general partner in a venture to build a four-story office building in Jackson Ward, the first commercial construction in the area in fifty years. Although the RCDC made no equity investment in this project, its shareholder banks made a \$4.1 million construction/permanent loan.

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DANVILLE COMMUNITY DEVELOPMENT CORPORATION
Danville, Virginia

State Member Banks: FIRST VIRGINIA BANK-PIEDMONT
VIRGINIA BANK AND TRUST
PEOPLES BANK OF DANVILLE

Investment Date: October 1991

Initial Capitalization: \$100,000 - All Participants

Description: The Danville Community Development Corporation (DCDC) is a for-profit, multi-bank consortium corporation. Its purposes are to improve the housing and economic conditions of people in Danville, Virginia by helping to increase the supply of affordable housing and the growth of jobs for low- and moderate-income persons. The CDC provides financing for renovation or construction of affordable housing, and for economic development projects in Danville.

DCDC's activities may include: housing and commercial property acquisition, rehabilitation or redevelopment; marketing, resale or leasing of improved property; creation of attractive, affordable financial packages for home buyers or businesses through assembly of private and public resources; provision of home ownership counseling to home buyers and technical assistance to businesses that will occupy DCDC-developed properties; and managing the design, construction and leasing of DCDC's projects.

The DCDC is assisting in expanding the City's Affordable Home Ownership Program, and provides funds for the down payment to purchase and rehabilitate houses as part of the City of Danville's single-family affordable housing rehabilitation program. The DCDC also may invest in small multifamily, mixed-use, or commercial projects, either rehab or new construction. The CDC may finance the purchase, rehabilitation or construction of eligible projects, perhaps with subordinate financing from the city and/or with private conventional financing, and will help finance affordable housing projects that qualify for assistance under the National Affordable Housing Act of 1990.

To date, the DCDC has purchased and/or rehabilitated eight homes in low- and moderate-income areas in the City of Danville. Upon completion of the renovations, the homes were sold to qualified low- and moderate-income borrowers. A total of \$258,597 has been provided to fund these projects.

The DCDC will continue to seek similar opportunities to purchase, rehab, and resell existing housing stock. In addition, the DCDC plans to assist in financing new construction in several neighborhoods.

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ROANOKE COMMUNITY DEVELOPMENT CORPORATION
Roanoke, Virginia

State Member Banks: FIRST VIRGINIA BANK - SOUTHWEST
CRESTAR BANK

Investment Date: November 1991

Initial Capitalization: \$900,000

Description: Roanoke Community Development Corporation is a for-profit corporation created by a number of financial institutions. The initial and primary goal of the RCDC is to assist in the development and improvement of housing for low- and moderate-income residents of the City of Roanoke.

Other financial institution investors in the Roanoke Community Development Corporation include Central Fidelity Bank, First Union Community Development Corporation, and NationsBank CDC - VA.

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WEST VIRGINIA CAPITAL CORPORATION

State Member Banks: BANK OF RIPLEY
F & M BANK - BLAKELEY
PEOPLES BANK OF MULLENS

Investment Date: June 1994

Initial Capitalization: \$1,478,775 - Equity funding from all investors

Description: The West Virginia Capital Corporation (WVCC) is a state-wide community development corporation owned by a group of 56 financial institutions and the West Virginia Bankers Association. Its mission is to promote and support the continued economic advancement and diversification of the state through the creation of jobs and expansion of the tax base. The WVCC's primary focus is on making loans and investments to support commercial and industrial development projects benefiting small businesses, though it also considers proposals to finance low- and moderate-income housing. For small business loans, the minimum loan amount is \$75,000, and the maximum loan amount is \$750,000.

Small business financing provided through the WVCC will be primarily for "mezzanine" level financing, where a business fails to meet normal bank lending requirements but is considerably above the venture capital risk level. Loans from the WVCC must have a 50 percent participation from one or more of the WVCC's participating banks. Thus, a loan request for an amount that would normally be declined by a bank might be reconsidered if the CDC would loan half of the amount. In addition to making loans, WVCC also can provide equity investments in small businesses or low- and moderate-income housing projects.

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LYNCHBURG COMMUNITY DEVELOPMENT CORPORATION
Lynchburg, Virginia

State Member Banks: FIRST VIRGINIA BANK - PIEDMONT
CRESTAR BANK

Date of Investment: April 1995

Initial Capitalization: Capital - \$ 70,000
Loan Commitments - \$700,000

Description: Lynchburg Community Development Corporation (LCDC) is a not-for-profit organization supported by seven area financial institutions committed to helping finance activities in designated low- and moderate-income areas throughout the City of Lynchburg, Virginia. The LCDC's mission is to actively participate in investments and programs designed to improve substandard housing within the community and promote small business development in low- and moderate-income areas. One of the primary objectives of the LCDC is to expand the City's Affordable Housing Program through partnerships with seven existing community-based housing programs.

The initial area targeted for LCDC's assistance is comprised of eight census tracts within the City of Lynchburg that have been designated as low- and moderate-income by the Department of Housing and Urban Development and are included in the City's state-approved enterprise zone.

The LCDC is managed by Lynchburg's Community Development Division, a relationship that enables the LCDC to augment programs currently in place and administered by that City Division, including the Enterprise Zone Loan Pool, and the Community Development Block Grant and HOME programs. Responsibility for review and approval of LCDC loans and equity investments is given to the loan and investment committees, with oversight provided by the LCDC board of directors.

Funding programs will be structured in ways which provide greater flexibility than conventional bank financing.

For small business development, the primary goal of the LCDC is to revitalize the Lynchburg Enterprise Zone. Currently, restaurants, specialty shops and an arts complex are planned for development in a targeted area. It is projected that revitalization efforts will create 50-100 service sector jobs. A partnership with the Lynchburg Regional Small Business Development Center (LRSBDC) will assist in identifying potential loan applicants and projects.

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MBC DEVELOPMENT CORPORATION
Montgomery County, Virginia

State Member Bank: FIRST VIRGINIA BANK - SOUTHWEST

Investment Date: September 1995

Investment: \$5,000, with commitment to invest additional \$5,000 in 1996

Description: MBC Development Corporation (MBCDC) is a nonprofit community development corporation organized in 1985, the first of its kind to obtain approval in the Commonwealth of Virginia. Funded by multi-bank investments and federal grant monies for a revolving loan fund, the corporation's mission is to initiate and participate in community development activities that will enhance, diversity, and broaden employment opportunities in Montgomery County.

MBCDC seeks to fund business projects where: (1) a financial gap exists that cannot be met by existing public and private lenders, or (2) an initial capital injection for a project is required to facilitate the participation of other lenders. Qualifying applicants use funds as venture capital, as working capital, or to purchase fixed assets.

Other investors in MBCDC include First National Bank of Blacksburg and First National Bank in Christiansburg.

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LOW-INCOME HOUSING INVESTMENTS

Virginia

Housing Equity Fund of Virginia, L.P.
Housing Equity Fund of Virginia II, L.P.
Housing Equity Fund of Virginia III, L.P.
Community Bankers' Bank Community Development Fund II, L.L.C.

State Member Banks: BANK OF BUCHANAN
BANK OF ESSEX
BANK OF NORTHUMBERLAND
CENTRAL VIRGINIA BANK
COMMERCE BANK OF VIRGINIA
FAIRFAX BANK AND TRUST COMPANY
FARMERS AND MERCHANTS BANK OF TIMBERVILLE
MINERS AND MERCHANTS BANK AND TRUST CO.
NORTHERN NECK STATE BANK
VIRGINIA BANKERS' BANK
VIRGINIA COMMUNITY BANK

Date of Investment: June 1992; December 1993; September 1994 (Fund II)
March 1996, June 1996, May 1997, June 1997 (Fund III)

Description: The Virginia Community Development Corporation (VCDC) was founded to serve as a statewide intermediary for the promotion, financing, development, and operation of safe, decent, and affordable housing for the citizens of Virginia. In order to accomplish this mission, the Housing Equity Funds of Virginia were organized, providing a vehicle through which private corporations can make financial investments in affordable housing. Investors receive tax credits, which are allocated to worthy projects through the federal low-income housing tax credit program. The primary objective of the Funds is to provide substantial tax benefits to corporate investors, from tax credits and passive losses, while creating a dependable source of equity capital for the sponsors of affordable housing through statewide limited partnerships. This process produces a reliable stream of benefits for a decade.

VCDC remains active throughout the life of the partnership and serves as the representative of the Limited Partners and management of the developments to ensure compliance of the requirements of Section 42 of the Internal Revenue Code. Currently, VCDC manages three equity funds and is raising capital for a fourth equity fund, Housing Equity Fund of Virginia IV, L.P.

VCDC has provided technical assistance in the financing, development, and management of 19 developments, resulting in the creation of 854 multifamily rental units. Equity financing of \$3.6 million (Fund I) was raised in 1992; \$10.4 million (Fund II) was raised in 1994; \$8.9 million (Fund III) was raised in 1996/97 and, it is anticipated that approximately \$8-10 million will be raised for Fund IV. The equity from Funds I, II, and III has helped leverage an additional \$31,000,000 in public and private financing. Current construction and rehabilitation projects will create an additional 226 housing units.

VCDC's developments serve populations with specific needs, such as homeless families and individuals, single-parent families, people with disabilities, and low-income households. Sponsors of VCDC- supported projects are frequently local community-based, nonprofit organizations. These developments often serve as catalysts for advancing larger community development goals and have supported the revitalization of blighted urban neighborhoods and the main streets of neglected rural communities.

Other investors include Central Fidelity Bank, Jefferson National Bank, Heilig-Meyers Company, Fidelity Federal Savings Bank, and Fannie Mae Corporation.

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LOW-INCOME HOUSING INVESTMENTS

North Carolina Equity Fund Limited Partnership
Coastal Plain Limited Partnership
CTC Limited Partnership
South Washington Street Limited Partnership

State Member Bank: CENTURA BANK

Date of Investment: November 1993; September 1993

Investments: \$1,000,000 (North Carolina Equity Fund, L.P.)
\$3,997,000 (Coastal Plain, L.P.)
\$2,274,000 (CTC Limited Partnership)
\$1,000,000 (South Washington Street Limited Partnership)

Description: Centura Bank has invested in several low-income housing limited partnerships that benefit from the federal low-income housing tax credit. Centura joined with the Enterprise Social Investment Corporation (ESIC), a for-profit subsidiary of the Enterprise Foundation, Inc., and the North Carolina Affordable Housing Equity Corporation (NCAHEC) to invest in residential rental properties located throughout North Carolina that qualify for low-income housing tax credits and, in certain instances, historic preservation tax credits.

With its experience in structuring partnerships that utilize low-income housing tax credits, ESIC serves as the managing general partner of this fund - the North Carolina Equity Fund Limited Partnership. The limited partnership is investing in four low-income housing projects that will provide 112 housing units.

Among the requirements of the partnership is that housing investments must benefit and be maintained by low-income occupants reporting incomes of 60% or less of the median income of the area. Proposed investments will be subject to the following considerations: (1) property location, condition and design; (2) the existence of favorable construction and permanent financing; (3) the existence of eligible tenants; and (4) the capabilities of the development group.

Centura Bank also is an investor, as the sole limited partner, in the Coastal Plain Limited Partnership, a master limited partnership formed by Weaver Investment Company for the purpose of investing in six different low-income housing partnerships. Each of the projects entails construction and management

of low-income rental housing for the elderly. Each project is located in a rural area and is financed with mortgages obtained from the Rural Housing Service (formerly the Farmers Home Administration) 515 Rural Rental Housing Program.

The formation of the partnership allowed Centura Bank to maximize its participation in projects that qualify for low-income housing tax credits while minimizing the overhead associated with investing in individual operating partnerships. Each of the bank's investments occurred after the construction of each project had been completed. All six projects have been completed and are occupied, providing 188 new housing units for low-income elderly individuals in rural communities in North Carolina.

Centura Bank, the sole limited partner, acquired a 99 percent interest in Capital Towers II, located in Raleigh, North Carolina. Construction of the project was completed in 1993, producing 90 affordable rental units to the city's low- and moderate-income elderly. In addition to its investment, Centura Bank also provided financing for the construction of Capital Towers II. The bank's general partner in this transaction operates as a for-profit subsidiary of a not-for-profit housing organization.

Centura Bank is also the sole limited partner, with a 99 percent limited partnership interest, to provide funding for the renovation of a 31,500 square foot mixed-use property in downtown Rocky Mount. The project has 11,800 square feet of gross leasable commercial space on the first level and provides 24 rental units for low-income elderly individuals, including two units equipped for handicapped tenants, on the second and third floors. The renovations are complete and the apartment units are fully occupied.

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